



Instructions for Form CT-3-B

Tax-Exempt Domestic International Sales Corporation (DISC) Information Return

Tax Law — Article 9-A

CT-3-B-I

New for 2001

On October 1, 2001, as these instructions were being prepared for printing, the New York State Legislature and Governor Pataki were considering tax law changes that could affect your 2001 tax return and 2002 estimated taxes. For up-to-date information, visit our Web site at www.tax.state.ny.us.

General information

Information from this form, Form CT-3, and Form CT-3-ATT is used to complete Form CT-3-C. Therefore, the schedules and lines are numbered to directly correspond with the same schedules and lines on Forms CT-3 and CT-3-ATT. Lines that are not applicable have been omitted. Schedule A, Part I of Form CT-3 and Schedule E of Form CT-3-ATT are not applicable and have been omitted. Use Form CT-3/4-I, *Instructions for Forms CT-3, CT-3-ATT, and CT-4*, to complete this return.

Who must file

Domestic international sales corporations (DISCs) that are exempt from tax under Article 9-A of the Tax Law must file Form CT-3-B.

Foreign sales corporations (FSCs) cannot file this form. Taxable DISCs must file Form CT-3.

A corporation that qualifies as a DISC under section 992(a) of the Internal Revenue Code (IRC) is exempt from tax under Article 9-A if during the year:

- it received **more** than 5% of its gross receipts from the sale of inventory or other property purchased from its stockholders,
- or
- it received **more** than 5% of its gross rentals from the rental of property purchased or leased from its stockholders,
- or
- it received **more** than 5% of its total receipts from other than sales or rentals from its stockholders.

Stockholder of DISC that files as part of combined group

If the stockholder of the tax exempt DISC files as part of a combined group, the stockholder is no longer required to file Form CT-3. Use the instructions for the appropriate lines on Form CT-3-A to complete the *Computation of entire net income*, *Computation of capital base*, *Computation of minimum taxable income base and tax*, and Schedules A and B on pages 1, 2, and 3, and the instructions for the appropriate lines on Form CT-3-A/ATT to complete Schedules C and D on pages 3 and 4. The instructions for combined returns may be found in Form CT-3-A-I, *Instructions for Forms CT-3-A, CT-3-A/ATT, and CT-3-A/B*.

When and where to file

A tax-exempt DISC must file this return separately. Attach a copy of this return to the stockholder's consolidated return, Form CT-3-C, and file both on or before the 15th day of the 9th month after the end of the tax year. If your filing date falls on a Saturday, Sunday, or legal holiday, you must file your return on or before the next business day. Include a complete copy of your federal return.

Mail your return to:

NYS CORPORATION TAX
PROCESSING UNIT
PO BOX 1909
ALBANY NY 12201-1909

Private delivery services

For information on the use of private delivery services, see *Private delivery services* in the instructions for Form CT-3.

Reporting period

If you are a calendar-year filer, check the box in the upper right corner on the front of the form.

If you are a fiscal-year filer, complete the beginning and ending tax period boxes in the upper right corner on the front of the form.

Employer identification number, file number, and other identifying information

For us to process your corporation tax forms, it is important that we have the necessary identifying information. You will find your employer identification number and file number just above your corporation name and address on the forms mailed to you. Keep a record of that information and include it on each corporation tax form mailed.

If you use a paid preparer or accounting firm, make sure they use your complete and accurate identifying information when completing all forms prepared for you.

NAICS business code number

Enter the six-digit NAICS business activity code number from your federal return.

Foreign corporations maintenance fee

Foreign corporations (including DISCs) authorized to do business in New York State must pay an annual maintenance fee of \$300 (Article 9, section 181.2). Enter your maintenance fee on line B on the front page of Form CT-3-B.

You are subject to the maintenance fee for the entire period in which you are authorized to do business in New York State, regardless of when you were actually doing business in New York State. The Tax Law allows a reduction of the maintenance fee, as shown below, if the period for which the fee is imposed is 9 months or less:

Period	Reduction	Maintenance fee
A period of not more than 6 months	50%	\$150
A period of more than 6 months but not more than 9 months	25%	\$225
A period of more than 9 months	None	\$300

If you do not pay the maintenance fee due on or before the due date, you must pay interest and penalty on the underpayment. See the instructions for Form CT-3 for proper calculation of interest and penalty.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of the Registration and Data Services Bureau, NYS Tax Department, Building 8, Room 338, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Need help?

- Business Tax information: 1 800 972-1233
- Forms and publications: 1 800 462-8100
- From outside the U.S. and outside Canada: (518) 485-6800
- Fax-on-demand forms: 1 800 748-3676
- Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110

Internet access: www.tax.state.ny.us